

HOUSE BILL No. 2834

By Committee on Appropriations

Requested by Representative Sutton

3-12

1 AN ACT concerning the state health care benefits program; transferring
2 officers, employees, powers, duties and functions relating to such
3 program from the division of the state employee health benefits plan of
4 the department of administration to the insurance department;
5 establishing the commissioner of insurance as the chairperson of the
6 Kansas state employees health care commission; providing that all
7 management functions of such commission shall be administered by the
8 commissioner of insurance; eliminating a pilot program regarding
9 employer contributions for certain children; amending K.S.A. 75-6503
10 and K.S.A. 2023 Supp. 75-37,169 and 75-6502 and repealing the
11 existing sections; also repealing K.S.A. 75-6506a and K.S.A. 2023
12 Supp. 75-37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-
13 37,167 and 75-37,168.

14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 New Section 1. All powers, duties and functions of the staff of the
17 division of the state employee health plan of the department of
18 administration established in K.S.A. 75-6501 et seq. and 75-7405(c)(7),
19 and amendments thereto, and any other statute involving the
20 administration of the state health care benefits program are hereby
21 transferred to and imposed upon the insurance department under the
22 direction of the commissioner of insurance.

23 New Sec. 2. (a) All officers and employees of the division of the state
24 employee health benefits plan of the department of administration who,
25 immediately prior to July 1, 2024, are engaged in the exercise and
26 performance of the powers, duties and functions involving the
27 administration of the state employee health benefits plan, as well as all
28 officers and employees of the department of administration who are
29 determined by the commissioner of insurance to be engaged in providing
30 administrative, technical or other support services that are essential to the
31 exercise and performance of the powers, duties and functions transferred
32 by section 1, and amendments thereto, are hereby transferred to the
33 insurance department. All classified officers and employees so transferred
34 shall retain their status as classified employees.

35 (b) Officers and employees of the division of the state employee

1 health benefits plan of the department of administration transferred by this
2 section shall retain all retirement benefits and leave balances and rights
3 that had accrued or vested prior to the date of transfer. The service of each
4 such officer and employee so transferred shall be deemed to have been
5 continuous. Any subsequent transfers, layoffs or abolition of classified
6 service positions under the Kansas civil service act shall be made in
7 accordance with the civil service laws and any rules and regulations
8 adopted thereunder. Nothing in this section shall affect the classified status
9 of any transferred person employed by the division of the state employee
10 health benefits plan of the department of administration prior to the date of
11 transfer.

12 (c) Notwithstanding the effective date of this section, the provisions
13 of this section prescribing the transfer of officers and employees from the
14 division of the state employee health benefits plan of the department of
15 administration to the insurance department shall commence at the start of a
16 payroll period.

17 New Sec. 3. (a) The insurance department shall be the successor in
18 every way to the powers, duties and functions of the division of the state
19 employee health benefits plan of the department of administration
20 involving the administration of the state health care benefits program that
21 were vested pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their
22 repeal.

23 (b) Every act performed in the exercise of such transferred powers,
24 duties and functions by or under the authority of the insurance department
25 and the commissioner of insurance involving the administration of the
26 state health care benefits program shall be deemed to have the same force
27 and effect as if performed by the division of the state employee health
28 benefits plan, the secretary of administration or the director of the state
29 employees health benefits plan in which the same were vested pursuant to
30 K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

31 (c) Whenever the division of the state employee health benefits plan
32 of the department of administration or words of like effect are referred to
33 or designated by a statute, contract, memorandum of agreement or other
34 document and such reference is in regard to any of the powers, duties and
35 functions transferred to the insurance department pursuant to section 1,
36 and amendments thereto, such reference or designation shall be deemed to
37 apply to the insurance department.

38 (d) All rules and regulations, orders and directives of the division of
39 the state employee health benefits plan of the department of administration
40 that relate to the powers, duties and functions transferred by section 1, and
41 amendments thereto, and are in effect on July 1, 2024, shall continue to be
42 effective and shall be deemed to be rules and and regulations, orders and
43 directives of the commissioner of insurance until revised, amended,

1 repealed or nullified pursuant to law.

2 New Sec. 4. (a) The balances of all funds or accounts thereof
3 appropriated or reappropriated for the division of the state employee health
4 benefits plan of the department of administration relating to the powers,
5 duties and functions involving the administration of the state health care
6 benefits program are hereby transferred within the state treasury to the
7 insurance department and shall be used only for the purpose for which the
8 appropriation or reappropriation was originally made.

9 (b) Liability for all accrued compensation or salaries of officers and
10 employees who are transferred to the insurance department pursuant to
11 section 2, and amendments thereto, shall be assumed and paid by the
12 insurance department.

13 New Sec. 5. (a) The insurance department shall succeed to all
14 property, property rights, contracts and records that were used for or
15 pertain to the performance of powers, duties and functions involving the
16 administration of the state health care benefits program that were
17 transferred to the division of the state employee health benefits plan of the
18 department of administration pursuant to K.S.A. 75-37,162 through 75-
19 37,168, prior to their repeal.

20 (b) When any conflict arises as to the disposition of any personnel,
21 property, property right, contract, record, power, duty, function or the
22 unexpended balance of any appropriation as result of any transfer made by
23 or under the provisions of sections 1 through 5, and amendments thereto,
24 such conflict shall be resolved by the commissioner of insurance, whose
25 decision shall be final.

26 New Sec. 6. (a) No suit, action or other proceeding, judicial or
27 administrative, lawfully commenced, or that could have been commenced,
28 by or against the division of the state employee health benefits plan of the
29 department of administration or by or against the secretary of
30 administration in such secretary's official duties, shall abate by reason of
31 the transfer effected under the provisions of sections 1 through 5, and
32 amendments thereto. The court may allow any such suit, action or other
33 proceeding to be maintained by or against the insurance department or the
34 commissioner of insurance.

35 (b) No criminal action commenced or that could have been
36 commenced by the state shall abate by reason of the transfer effected under
37 the provisions of sections 1 through 5, and amendments thereto.

38 Sec. 7. K.S.A. 2023 Supp. 75-37,169 is hereby amended to read as
39 follows: 75-37,169. (a) All powers, duties and functions of the staff of the
40 department of health and environment established in K.S.A. 44-575
41 through 44-580, and amendments thereto, involving the administration of
42 the state workers compensation self-insurance fund are hereby transferred
43 to and imposed upon the department of administration, under the direction

1 of the secretary of administration, and its division of the state employee
2 health benefits plan, under the direction of the director of the state
3 employee health benefits plan.

4 (b) The secretary of administration shall administer the state workers
5 compensation self-insurance fund and all payments from such fund shall
6 be upon warrants of the director of accounts and reports issued pursuant to
7 vouchers approved by the secretary of administration or a person or
8 persons designated by the secretary. The director of accounts and reports
9 may issue warrants pursuant to vouchers approved by the secretary for
10 payments from the state workers compensation self-insurance fund not-
11 withstanding the fact that claims for such payments were not submitted or
12 processed for payment from money appropriated for the fiscal year in
13 which the state workers compensation self-insurance fund first became
14 liable to make such payments.

15 (c) The secretary of administration shall remit all moneys received by
16 or for the secretary in the capacity as administrator of the state workers
17 compensation self-insurance fund, to the state treasurer in accordance with
18 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
19 of each such remittance, the state treasurer shall deposit the entire amount
20 in the state treasury to the credit of the state workers compensation self-
21 insurance fund.

22 (d) The balances of all funds or accounts thereof appropriated or re-
23 appropriated for the division of health care finance of the department of
24 health and environment or any state agency, department, board,
25 commission or council, relating to the powers, duties and functions
26 involving the administration of the state workers compensation self-
27 insurance fund are hereby transferred within the state treasury to the
28 department of administration ~~for the division of the state employee health~~
29 ~~benefits plan~~ and shall be used only for the purpose for which the
30 appropriation was originally made. Liability for all accrued compensation
31 or salaries of officers and employees who are transferred to the department
32 of administration ~~and the division of the state employee health benefits~~
33 ~~plan~~ pursuant to this order shall be assumed and paid by the ~~division of the~~
34 ~~state employee health benefits plan~~ of the department of administration.

35 (e) There is hereby established the state workplace health and safety
36 program within the state workers compensation self-insurance program of
37 the department of administration. The secretary of administration shall
38 implement and the division of industrial health and safety of the Kansas
39 department of labor shall assist in administering the state workplace health
40 and safety program for state agencies. The state workplace health and
41 safety program shall include, but not be limited to:

42 (1) Workplace health and safety hazard surveys in all state agencies,
43 including onsite interviews with employees;

1 (2) workplace health and safety hazard prevention services, including
2 inspection and consultation services;

3 (3) procedures for identifying and controlling workplace hazards;

4 (4) development and dissemination of health and safety informational
5 materials, plans, rules and work procedures; and

6 (5) training for supervisors and employees in healthful and safe work
7 practices.

8 (f) Except as provided in this order, the secretary of administration
9 shall be the successor in every way to the powers, duties and functions of
10 the secretary of health and environment that relate to the state workers
11 compensation self-insurance fund, in which the same were vested prior to
12 the effective date of this order.

13 (g) All orders and directives of the secretary of health and
14 environment that relate to the state workers compensation self-insurance
15 fund in existence immediately prior to the effective date of this order shall
16 continue to be effective and shall be deemed to be the orders or directives
17 of the secretary of administration, until revised, amended, repealed or
18 nullified pursuant to law.

19 (h) The secretary of administration shall succeed to all property,
20 property rights, contracts and records that were used for or pertain to the
21 performance of the powers, duties and functions transferred to the
22 secretary of administration from the division of the state workers
23 compensation self-insurance fund of the department of health and
24 environment pursuant to this order. Any conflicts as to the proper
25 disposition of property, property rights, contracts and records arising under
26 this section shall be resolved by the governor, whose decision shall be
27 final.

28 (i) All officers and employees of the division of the state workers
29 compensation self-insurance fund of the department of health and
30 environment who, immediately prior to the effective date of this order, are
31 engaged in the exercise and performance of the powers, duties and
32 functions involving the administration of the state workers compensation
33 self-insurance fund and transferred by this order, as well as all officers and
34 employees of the department of health and environment who are
35 determined by the secretary of administration to be engaged in providing
36 administrative, technical or other support services that are essential to the
37 exercise and performance of the powers, duties and functions transferred
38 by this order, are hereby transferred to the department of administration,
39 under the direction of the secretary of administration, ~~and its division of~~
40 ~~the state employee health benefits plan~~. All classified officers and
41 employees so transferred shall retain their status as classified employees.

42 (j) Officers and employees of the division of the state workers
43 compensation self-insurance fund of the department of health and

1 environment transferred by this order shall retain all retirement benefits
2 and leave balances and rights that had accrued or vested prior to the date
3 of transfer. The service of each such officer or employee so transferred
4 shall be deemed to have been continuous. Any subsequent transfers,
5 layoffs or abolition of classified service positions under the Kansas civil
6 service act shall be made in accordance with the civil service laws and any
7 rules and regulations adopted thereunder. Nothing in this order shall affect
8 the classified status of any transferred person employed by the division of
9 the state workers compensation self-insurance fund of the department of
10 health and environment prior to the date of transfer.

11 Sec. 8. K.S.A. 2023 Supp. 75-6502 is hereby amended to read as
12 follows: 75-6502. (a) There is hereby established the Kansas state
13 employees health care commission which is composed of seven members
14 as follows: (1) The commissioner of insurance; (2) the secretary of
15 administration; (3) a current state employee who is currently enrolled in
16 the state healthcare benefits program group health insurance medical plan,
17 appointed by the governor; (4) a person who retired from a position in
18 state service and who is currently enrolled in the state healthcare benefits
19 program group health insurance medical plan, appointed by the governor;
20 (5) a representative of the general public, appointed by the governor; (6) a
21 member of the senate ways and means committee, appointed by the
22 president of the senate; and (7) a member of the house of representatives
23 appropriations committee, appointed by the speaker of the house of
24 representatives. A state officer or employee may not be appointed as the
25 member representative of the general public.

26 (b) Each member appointed under this section by the governor shall
27 serve at the pleasure of the governor. The member appointed by the
28 president of the senate shall serve at the pleasure of the president of the
29 senate, and the member appointed by the speaker of the house of
30 representatives shall serve at the pleasure of the speaker of the house of
31 representatives. Not more than five members of the commission shall be
32 members of the same political party.

33 (c) The chairperson of the commission shall be ~~designated by the~~
34 ~~governor~~ *commissioner of insurance*. The commission shall meet at least
35 once each calendar quarter and at such other times as may be required on
36 call of the chairperson or any three members thereof.

37 (d) A quorum of the Kansas state employees health care commission
38 shall be four. All actions of the commission shall be taken by a majority of
39 all of the members of the commission.

40 (e) Members of the Kansas state employees health care commission
41 attending meetings of such commission, or attending a subcommittee
42 meeting thereof authorized by such commission, shall be paid
43 compensation, subsistence allowances, mileage and other expenses as

1 provided in K.S.A. 75-3223, and amendments thereto.

2 Sec. 9. K.S.A. 75-6503 is hereby amended to read as follows: 75-
3 6503. (a) Except as otherwise provided by this act, all budgeting,
4 purchasing and related management functions of the Kansas state
5 employees health care commission shall be administered by the ~~secretary~~
6 ~~of administration under the direction and supervision of the chairperson of~~
7 ~~the commission~~ *commissioner of insurance*. All vouchers for expenditures
8 and all payrolls of the Kansas state employees health care commission
9 shall be approved by the chairperson of the commission or by a person or
10 persons designated by the chairperson.

11 (b) There is hereby created the position of technical administrator for
12 the state health care benefit program. Under the direction and supervision
13 of the ~~secretary of administration~~ *commissioner of insurance*, the technical
14 administrator shall provide primary staffing assistance to the commission
15 and perform such other functions and duties as may be prescribed by the
16 commission. The technical administrator shall be in the ~~classified or~~
17 ~~unclassified~~ service under the Kansas civil service act ~~as specified by the~~
18 ~~secretary of administration~~ and shall be appointed by the ~~secretary of~~
19 ~~administration~~ *commissioner of insurance*. Within the limits of available
20 appropriations, the ~~secretary of administration~~ *commissioner of insurance*
21 shall provide such additional assistance as may be requested by the
22 commission.

23 Sec. 10. K.S.A. 75-6503 and 75-6506a and K.S.A. 2023 Supp. 75-
24 37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-37,167, 75-
25 37,168, 75-37,169 and 75-6502 are hereby repealed.

26 Sec. 11. This act shall take effect and be in force from and after its
27 publication in the statute book.